

DEPARTMENT OF DEFENSE SUPPLEMENTAL
AUTHORIZATION ACT, 1986

MAY 15 (legislative day, MAY 12), 1986.—Ordered to be printed

Mr. GOLDWATER, from the Committee on Armed Services,
submitted the following

REPORT

[To accompany S. 2459]

The Committee on Armed Services submits this report to provide supplemental authorization for fiscal year 1986 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation, and operation and maintenance for the Armed Forces, and working capital funds, and for other purposes, and recommends that the bill do pass.

The fiscal year 1986 Department of Defense Appropriations Act (Public Law 99-190) provided appropriations in excess of the fiscal year 1986 defense authorization levels for various accounts and many line items. On an account basis, these excess appropriations totaled \$3,449,457,000. On a line item (or individual program) basis, \$6,499,123,000 was appropriated in excess of authorizations. Both amounts include funds transferred from prior years.

Section 8109 of the fiscal year 1986 Department of Defense Appropriations Act restricts the authority of the Department of Defense to obligate or expend funds appropriated in excess of authorization unless such funds are authorized by a law other than the appropriations act. The pertinent provision of Section 8109 reads as follows:

SEC. 8109. None of the funds appropriated pursuant to this act to or for the use of the Department of Defense may be obligated or expended for any purpose unless such funds have been authorized to be appropriated for such purpose by law other than this act.

Legal counsel to the committee has indicated that Section 8109 applies only to the legal divisions and subdivisions of the authorization and appropriations acts. Generally, these legal subdivisions correspond to the budget accounts and not to the individual programs. However, the committee reserves the right to scrutinize all individual programs and deny obligation authority for those programs which the committee judges to be of low priority.

The purpose of this supplemental authorization is to provide the necessary authorization for certain programs for which the amounts appropriated exceeded the amounts authorized and to deny obligational authority for others. The recommendations contained in this bill are based on a thorough review by the Committee on Armed Services of all excess appropriations and take into account the most recent available information on defense priorities and fiscal realities.

On an account basis, this supplemental authorization provides authority to obligate \$2,040,157,000 of the excess appropriations while denying authorization for \$1,409,300,000. On a program or line item basis, this bill provides authorization for \$3,770,890,000 while denying authority to obligate \$2,728,233,000 for a total of 26 specific programs in procurement, research, development, test and evaluation, and the revolving funds.

BUDGETARY IMPACT OF THE BILL

The committee recommends revised authorizations for the Department of Defense for fiscal year 1986 for procurement, research and development, operation and maintenance, and revolving and management funds totaling \$212.6 billion, a reduction of \$3 billion from the amounts contained in the fiscal year 1986 Department of Defense Authorization Act (Public Law 99-145). No revisions were made in the areas of military and civilian personnel, military construction and family housing, civil defense, special foreign currency, or Department of Energy national security programs.

The revised authorization level has no effect on the national defense function totals for budget authority and outlays since all appropriations contained in the fiscal year 1986 Department of Defense Appropriations Act were included in estimates of both budget authority and outlays for purposes of budget resolution funding ceilings. A cost estimate of the supplemental authorization bill has been provided by the Congressional Budget Office and is included below.

The authorizations provided in the bill permit obligation of funds already appropriated for fiscal year 1986 but continue the restriction of section 8109 of the fiscal year 1986 Department of Defense Appropriations Act for funds where obligational authority is denied in this bill. In denying authorization for certain funds, the bill does not rescind any appropriated funds, either at the account level or at the program level. All appropriated funds remain within the appropriations accounts, but since the purposes for which these funds were appropriated remain unauthorized, these funds may not be obligated. These funds are available to the Defense Department only after receiving subsequent obligational authority, either through reprogramming actions or by transfer to other activities

through established procedures. The committee invites the Defense Department to request reprogramming approval for the expenditure of these funds, and especially encourages such proposals which would have the effect of improving the efficiency of existing production lines.

The committee emphasizes that this bill does not reduce the spending base upon which the fiscal year 1987 budget submission is constructed and does not in any way prejudice consideration of the fiscal year 1987 defense authorization bill.

COMMITTEE ACTION

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report the fiscal year 1986 supplemental Defense authorization bill.

In favor: Senators Goldwater, Thurmond, Warner, Humphrey, Cohen, Quayle, East, Wilson, Denton, Gramm, Nunn, Stennis, Exon, Levin, Kennedy, Bingaman, Dixon, and Glenn.

Opposed: None.

Vote: 18-0.

The other roll call votes on amendments to the bill which were considered during the course of the markup have been made public and are available at the committee.

Details of the committee's recommendations are shown in the following table.

SUMMARY OF FY 1986 SUPPLEMENTAL AUTHORIZATION BILL
(Dollars in Millions)

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		APPROPRIATION ACT		CHANGE FROM AUTH ACT		REVISED AUTHORIZATION	
	QTY AMOUNT		QTY AMOUNT		EXCESS APPROPRIATION		QTY AMOUNT		QTY AMOUNT	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
PROCUREMENT										
ARMY Aircraft:										
EH-60A helo		3692.500		3676.100				3524.200		3524.200
AH-1S helo mod	18	118.600	18	54.300		55.900				110.200
UH-47 helo mod		124.500		104.500		30.000				134.500
UH-1P		253.300		229.200		23.900				233.900
General reduction		156.800		156.800		15.900				174.700
										15.900
										-258.400
ARMY Missiles:										
		3386.700		3272.700				2904.332		2904.332
Slinger										
General reduction	3439	304.100	2909	244.100	530	14.400	530	14.400		258.500
										-382.768
ARMY WATCV:										
		5739.100		5211.000				4684.800		4684.800
M577A2	115	23.600	115	23.600		10.000				10.000
M113A2	325	82.900	325	82.900		40.000				40.000
M88A1	240	215.800	210	188.800		22.600				22.600
Follow-on Air Def Equip		0.000		0.000		150.000				150.000
Mortar 120mm	63	5.000		0.000	63	5.000		63		5.000
General reduction										-753.800
										-753.800
ARMY Ammunition:										
		2635.000		2549.000				2497.200		2497.200
Mortar ammo		0.000		0.000		96.200				96.200
Lightweight Multi-Purpose System	156	107.600		41.600		17.600				59.200
General Increase		0.000		0.000		200.000				200.000
Prod Base Modernization		280.600		264.700		11.400				276.100
Chemical Demilitarization		49.300		49.300		103.100				103.100
General reduction						32.000				32.000
										-512.100

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		APPROPRIATION ACT		REVISD AUTHORIZATION	
	QTY	AMOUNT	QTY	AMOUNT	EXCESS APPROPRIATION	APPROPRIATION	CHANGE FROM AUTH ACT	REVISD RECOMMENDATION
					QTY	AMOUNT	QTY	AMOUNT
ARMY Other Procurement:		5712.800		5323.500		5275.556		5231.082
SNAP		0.000		0.000		15.400		0.000
Special Forces Comm Equip		7.300		7.300		4.030		11.330
DED Loop Encryp Dev KG-84		21.800	5525	21.800		10.000		31.800
Adv FA Tac Data System		0.000		0.000		25.574		0.000
AFRTS (Audiovisual)		4.300		4.300		3.500		0.000
Boat, Bridge Erection	185	25.400	0	0.000	185	25.400		25.400
H-9 ACE	70	65.000	34	30.000		12.400		42.400
Deployable Medical System		84.400		84.400		12.300		96.700
Combat Supp Equip Medical		77.500		77.500		21.200		98.700
General reduction							-177.748	-177.748
NAVY Aircraft:		12062.600		11599.900		11175.678		11065.678
F-14A		653.615		553.615		95.475		649.090
P-3 mode	18	152.889	18	152.889		243.200		396.089
KC tanker conversion		0.000		0.000		110.000		0.000
General reduction							-872.897	-872.897
NAVY Weapons:		5627.900		5655.100		5227.795		5221.795
Weapons (Industrial Facilities)		18.908		18.908		6.000		18.908
General reduction							-433.305	-433.305

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		EXCESS APPROPRIATION		APPROPRIATION ACT		CHANGE FROM AUTH ACT		REVISED AUTHORIZATION	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
NAVY Shipbuilding & Conversion:		11411.600		10001.200			10840.400		804.200		10805.400	
Trident Submarine	1	1283.600	1	1233.600			1196.600		-37.000		1196.600	
Trident Submarine adv proc		248.200		248.200			158.100		-90.100		158.100	
SSN-688	4	2123.200	4	2113.200	10.000		2123.200		0.000		2113.200	
SSN-688 adv proc		595.200		595.200			486.400		-98.800		486.400	
Battleship reactivation		53.500		53.500			469.000		415.500		469.000	
CV SLEP adv proc		133.400		133.400			52.000		-81.400		52.000	
CG-47 AEGIS Cruiser	3	2751.600	3	2751.600			2637.900		-113.700		2637.900	
CG-47 AEGIS Cruiser adv proc		14.600		14.600			14.600		0.000		14.600	
DDG-51 adv proc		164.300		164.300			74.000		-90.300		74.000	
LSD-41 Landing Ship Dock	2	414.400	2	414.400			403.400		-11.000		403.400	
LHD-1 Amphibious Assault ship	1	1148.600	1	1148.600			1148.000		-0.600		1148.000	
LHD-1 adv proc		358.600		165.600			165.600		0.000		165.600	
MCM Ship	4	334.100	2	167.100	30.100	2	197.200	2	30.100	2	197.200	
MCM-1 Coastal Mine Hunter	4	184.500	4	184.500			184.500		0.000		184.500	
TAO Fleet Oiler	2	328.500	2	328.500			278.500		-50.000		278.500	
TAGOS SURTASS ship	2	113.900	2	113.900			113.900		0.000		113.900	
TAGOS SURTASS ship adv proc		1.200		1.200			1.200		0.000		1.200	
TAG Acoustic Research ship	1	68.900	1	68.900			57.000		-11.900		57.000	
RTSD/ARTB Nuclear Training Ship (Conv)		26.500		26.500	148.900		175.400		148.900		175.400	
TACS Crane ship (conv)	3	82.500	3	82.500			82.500		0.000		82.500	
TAVB (conv)	1	26.900	1	26.900			26.900		0.000		26.900	
LCAC Landing Craft	12	276.200	12	276.200			276.200		0.000		276.200	
LCAC Landing Craft adv proc		30.800		30.800			30.800		0.000		30.800	
Strategic Sealift	2	203.400	2	228.400			228.400		0.000		228.400	
Service Craft		79.500		37.700	25.000		62.700		0.000		37.700	
Landing Craft		34.400		34.400			0.000		-34.400		0.000	
Outfitting		228.500		228.500			228.500		0.000		228.500	
Post Delivery		112.600		112.600			112.600		0.000		112.600	
MCM Coast Growth		0.000		0.000			97.000		97.000		97.000	
Undistributed reduction		---		-100.000			---		100.000		---	
Prior year authorization transfer		---		-437.600			---		437.600		---	
Prior year inflation savings		---		-337.000			---		337.000		---	
Inflation reestimate for FY 86		---		-14.000			---		14.000		---	
Prior year program savings		---		-85.000			---		85.000		---	
Inflation Premium		---		---			-241.700		-241.700		-241.700	

PROGRAM	FY 86 REQUEST		AUTHORIZATION		APPROPRIATION ACT		REVISSED AUTHORIZATION	
	ACT		EXCESS		CHANGE FROM		RECOMMENDATION	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
NAVY Other Procurement:	6601.200		6040.800		6377.630		330.030	6370.830
AN/SOR-17	20	15,249	20	15,249	22,049		0,000	15,249
Mar Reserve Munitions	0,000		0,000		70,000		70,000	70,000
Medical support equipment	17,223		17,223		44,200		44,200	61,423
General increase							215,830	215,830
COASTAL DEFENSE AUGMENTATION:	0,000		0,000		235,000		235,000	235,000
Prior year transfer					(140,000)		(140,000)	(140,000)
Med Range Recovery helo	0,000		0,000		41,000		41,000	41,000
BUOV Tender SLEP	0,000		0,000		70,000		70,000	70,000
C-130	0,000		0,000		72,000		72,000	72,000
140 ft tug	0,000		0,000		20,000		20,000	20,000
C-130 FLIR mod	0,000		0,000		60,000		60,000	60,000
110 ft patrol boat	0,000		0,000		112,000		112,000	112,000
General reduction							-140,000	-140,000
PROCUREMENT, MARINE CORPS:	1726,800		1727,400		1660,766		-66,634	1660,766
General reduction							-66,634	-66,634
AIR FORCE Aircraft:	26165,500		24435,300		23255,424		-1689,576	22745,724
Air Defense Competition	0,000		0,000		200,000		0,000	0,000
KC-10A ATCA adv proc	208,200		208,200		18,600		0,000	208,200
T-46A (NGT)	142,800		142,800		0,000**		-142,800	0,000
T-46A advance procurement	63,300		63,300		0,000**		-63,300	0,000
Air Force One Replacement	0,000		0,000		280,000		280,000	280,000
AC-130H drug interdiction a/c	0,000		0,000		35,000		0,000	0,000
B-52 mods	463,600		428,600		22,600		22,600	451,200
B-1B mods	5,100		5,100		26,300		26,300	31,400
A-7 mods	3,400		3,400		56,600		56,600	60,000
F/RP-4 mods	174,200		174,200		15,900		15,900	190,100
Abn Command Post Comm Upgrade	0,000		0,000		50,000		0,000	0,000
General reduction							-1884,876	-1884,876

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		EXCESS APPROPRIATION		APPROPRIATION ACT		CHANGE FROM AUTH ACT		REVISED RECOMMENDATION	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
AIR FORCE Missiles:		10862.700		9008.600				8312.442		-726.339		8282.261
Rapier	7.000		3.581		4.000			7.581	3.419			7.000
AMRAAM Adv Proc	65.900		30.000		29.400			59.400	29.400			59.400
Missiles 11/111 mode	13.540		13.540		29.900			43.440	0.000			13.540
General reduction									-759.156			-759.156
AIR FORCE Other Procurement:		9538.000		8571.100				8571.383	0.283			8571.383
IDMS	29.427		23.827		5.600			29.427	5.600			29.427
Medical/Dental Equip	132.039		120.039		15.700			135.739	15.700			135.739
TACAN	0.000		0.000		8.000			8.000	8.000			8.000
War Reserve Munitions	0.000		0.000		40.000			40.000	40.000			40.000
General reduction									-69.017			-69.017
DEFENSE AGENCIES:		1391.900		1342.300				1302.740	-39.560			1302.740
Other DIS Equip	0.000		0.000		5.000			5.000	5.000			5.000
General reduction									-44.560			-44.560
DOD NATO COOPERATIVE PROGRAMS:		0.000		75.000				15.000	-60.000			15.000
General reduction									-60.000			-60.000

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		EXCESS APPROPRIATION		APPROPRIATION ACT		CHANGE FROM AUTH ACT		REVISED RECOMMENDATION	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
GUARD AND RESERVE EQUIPMENT		0.000		658.400				1501.800		478.000		1136.400
ARMY RESERVE:		0.000		0.000								
Miscellaneous Equipment		0.000		0.000		350.000		365.000		160.000		160.000
Truck SLEP		0.000		0.000		15.000		15.000		145.000		145.000
NAVY RESERVE:		0.000		45.000								
Miscellaneous Equipment		0.000		20.000		55.000		100.000		25.000		70.000
MARINE CORPS RESERVE:		0.000		60.000				70.000		10.000		70.000
Miscellaneous Equipment		0.000		20.000		10.000		30.000		10.000		30.000
AIR FORCE RESERVE:		0.000		120.000				180.000		40.000		160.000
Miscellaneous Equipment		0.000		0.000		30.000		30.000		10.000		10.000
C-130H		0.000		120.000		30.000		150.000		30.000		150.000
ARMY NATIONAL GUARD:		0.000		223.400				531.800		198.000		421.400
Miscellaneous Equipment		0.000		100.000		250.000		350.000		166.000		266.000
Improved TOW (Mod)		0.000		15.000		13.200		28.200		0.000		15.000
M198 Towed Howitzer		0.000		0.000		30.200		30.200		0.000		0.000
Truck SLEP		0.000		0.000		32.000		32.000		32.000		32.000
AIR NATIONAL GUARD:		0.000		210.000				255.000		45.000		255.000
Miscellaneous Equipment		0.000		30.000		45.000		75.000		45.000		75.000
TOTAL PROCUREMENT***		106754.300		99147.400		4318.779		97362.146		-2892.809		96254.591
						(140.000)		(140.000)		(140.000)		(140.000)

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		APPROPRIATION ACT		REVISED AUTHORIZATION	
	QTY	AMOUNT	QTY	AMOUNT	EXCESS APPROPRIATION	APPROPRIATION	CHANGE FROM AUTH ACT	REVISED RECOMMENDATION
					QTY	AMOUNT	QTY	AMOUNT
ROUTINE								
ARMY:								
DIVAD Alternatives (transfer from Proc	5279.900		4246.563			4836.172		4836.172
Medical Research/AIDS	0.000		0.000		41.000		41.000	41.000
TECH	[]		-42.000		40.000		40.000	40.000
Classified program	[]				[]		[]	[]
General reduction					10.000		10.000	10.000
							-143.491	-143.491
NAVY:								
5" rolling airframe missile	11264.300		10106.401			10065.239		10057.239
Ship Subsea Devel/LBIS	10.948		3.948		7.000		7.000	10.948
Whitehall quick reaction surv sys	89.418		80.000		29.000		29.000	109.000
Bigeye operational test	0.000		0.000		8.000		0.000	12.000
General reduction					6.000		6.000	6.000
							-91.162	-91.162
AIR FORCE:								
Space Defense Sys (transfer from Proc)	15578.500		13719.721			13718.208		13710.708
MECON	149.934		149.934		15.066		15.066	165.000
Air Force One	97.199		87.199		15.000		15.000	102.199
Liquid Synthetic Fuel	0.000		0.000		20.000		20.000	20.000
Precision Tac Approach Guidance	0.000		0.000		4.500		0.000	0.000
I-S/A AMPE devel (transfer from O&M)	0.000		0.000		3.000		0.000	0.000
Omega	[]		0.000		31.400		31.400	31.400
Special Programs	[]				66.800		66.800	[]
General reduction			-20.000		5.000		5.000	-15.000
							-162.279	-162.279
DEFENSE AGENCIES:								
Strategic Technology	7053.900		6720.469			6637.386		6637.386
DRSP	254.400		247.900		12.000		12.000	259.900
General reduction	[]		-16.000		15.600		15.600	-0.400
							-110.683	-110.683
DIRECTOR, TEST AND EVALUATION:								
	103.500		93.500		25.000		25.000	118.500
TOTAL ROUTE	39289.100		35488.754		396.366		-126.749	35362.005

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		APPROPRIATION ACT		CHANGE FROM AUTH ACT		REVISED AUTHORIZATION	
	QTY AMOUNT		QTY AMOUNT		EXCESS APPROPRIATION		QTY AMOUNT		QTY AMOUNT	
	-----		-----		-----		-----		-----	
OPERATION AND MAINTENANCE	20190.630		19177.351		18975.507		0.000		19177.351	
ARMY:	-----		-----		-----		-----		-----	
ADP management			-15.000		12.700		0.000		-15.000	
Improper use of OAH funds			-15.000		15.000		0.000		-15.000	
Year-end spending			-6.000		6.000		0.000		-6.000	
Contract studies			-5.000		2.500		0.000		-5.000	
Admin/Supervision			4.000		3.000		0.000		4.000	
Other combat equip activities			154.600		2.000		0.000		154.600	
Displaced equipment			238.100		3.000		0.000		238.100	
Contract support			0.000		5.000		0.000		0.000	
Capital expense equipment			5.800		1.000		0.000		5.800	
Other personnel activities			39.900		2.000		0.000		39.900	
Civilian training			5.000		1.000		0.000		5.000	
Operations support			3.800		3.000		0.000		3.800	
Area oriented depot mod			4.000		2.000		0.000		4.000	
Audit follow-up			-10.000		10.000		0.000		-10.000	
AAFES lease payments			-1.000		1.000		0.000		-1.000	
Design costs of MAF projects			-1.000		1.000		0.000		-1.000	
Financial management			-5.000		5.000		0.000		-5.000	
Excess property			-5.000		5.000		0.000		-5.000	
Inventory control			-5.000		5.000		0.000		-5.000	
Drug testing			9.800		1.500		0.000		9.800	
AIDS testing			0.000		42.600		0.000		0.000	
Medical enhancements			0.000		20.000		0.000		0.000	
A/V activities transfer			0.000		1.000		0.000		0.000	
Medical readiness			0.000		39.200		0.000		0.000	
DIVAD replacement			0.000		4.800		0.000		0.000	
Readiness initiatives			0.000		137.000		0.000		0.000	

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		APPROPRIATION ACT		REVISSED AUTHORIZATION	
	QTY AMOUNT		QTY AMOUNT		EXCESS APPROPRIATION		CHANGE FROM AUTH ACT	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
NAVY:	25797.700		24608.847					
Excess property		-5.000		5.000				24608.847
Improper use of OAH funds		-20.000		20.000				-5.000
Contract studies		-10.000		5.000				-20.000
Audit follow-up		-10.000		10.000				-10.000
Year end spending		-10.000		10.000				-10.000
Seal clubs		-1.000		1.000				-10.000
Financial management		-10.000		10.000				-1.000
Sealift		557.400		16.000				-10.000
Ready Reserve fleet dispersal		0.000		3.600				557.400
A/V activities transfer		0.000		1.000				0.000
AIDS testing		0.000		5.000				0.000
P-3A Mods		0.000		3.000				0.000
MARINE CORPS:	1667.400		1626.700					1626.700
Improper use of OAH funds		-2.000		2.000				-2.000
AIR FORCE:	20924.400		20036.089					20096.089
Inventory control points		566.733		5.000				566.733
Inventory control audit		-10.000		10.000				-10.000
Logistics support		203.415		2.000				203.415
Classified programs		-1.285		0.500				-1.285
Administration		591.300		5.000				591.300
Training and personnel		1388.470		1.800				1388.470
Comms divestiture savings		-10.000		10.000				-10.000
Strategic support		-5.000		5.000				-5.000
Software modernization		-2.000		2.000				-2.000
Medical		1271.800		0.750				1271.800
ADP management		-25.000		18.200				-25.000
Improper use of OAH funds		-10.000		10.000				-10.000
Audit follow-up		-10.000		10.000				-10.000
Year end spending		-4.000		4.000				-4.000
Golf courses		-5.000		5.000				-5.000
Medical readiness		0.000		5.600				0.000
A/V activities transfer		0.000		8.000				0.000
AIDS testing		0.000		5.000				0.000
Civilian training		0.000		3.000				0.000

PROGRAM	FY 86 REQUEST	AUTHORIZATION ACT		APPROPRIATION ACT		REVISSED AUTHORIZATION	
		ACT		EXCESS		CHANGE FROM	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
DEFENSE AGENCIES:	7568,900		7553,333		7432,569		7553,333
OSD general reduction				1,000			
JCS general reduction			133,756	1,000			133,756
DLA			378,236	1,000			378,236
Year end spending			1694,670	7,100			1694,670
ADP management			-7,000	7,000			-7,000
Seal clubs			-10,000	10,000			-10,000
Inventory control			-1,000	1,000			-1,000
Air Force info service			-5,000	5,000			-5,000
Medical info systems			54,433	2,000			54,433
DLA			78,763	3,000			78,763
Classified programs			276,612	4,000			276,612
Contract audits			-17,831	1,178			-17,831
Inproper use of O&M funds			-10,000	10,000			-10,000
Peer review			-2,000	2,000			-2,000
Quality assurance			0,000	7,500			0,000
			0,000	30,000			0,000
ARMY RESERVE:	779,600		780,100		780,100		780,100
Force structure initiative				6,950			0,000
NAVY RESERVE:	954,500		900,590		894,950		900,590
MARINE CORPS RESERVE:	61,600		57,170		57,200		57,200
General increase							0,030

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		APPROPRIATION ACT		REVISSED AUTHORIZATION	
	QTY	AMOUNT	QTY	AMOUNT	EXCESS APPROPRIATION	APPROPRIATION	CHANGE FROM AUTH ACT	REVISSED RECOMMENDATION
					QTY	AMOUNT	QTY	AMOUNT
AIR FORCE RESERVE:		907,700		902,144		902,700		902,700
F-4 Mode				0.000				0.000
General increase					2.400			0.556
ARMY NATIONAL GUARD:		1605,200		1625,780		1652,800		1652,800
AIDS				0.000				0.000
Force Structure Initiatives				0.000	2.500			0.000
Environmental Projects				0.000	4.100			0.000
General increase					0.400			0.000
AIR NATIONAL GUARD:		1830,100		1806,162		1806,200		1806,200
General increase								0.038
BOARD FOR PROMOTION OF RIFLE PRACTICE:		0.920		0.920		0.920		0.920
CLAIMS DEFENSE:		158,300		143,300		143,300		143,300
COURT OF MILITARY APPEALS:		3,200		3,200		3,200		3,200
PAN AM GAMES:		0.000		10,000		10,000		10,000
ENVIRONMENTAL RESTORATION FUND*:		(329,100)		(329,100)		379,100		(329,100)
TOTAL O&M		82450,150		79291,686		78664,480		79319,330
					691,878		27,644	

PROGRAM	FY 86 REQUEST		AUTHORIZATION ACT		EXCESS APPROPRIATION		APPROPRIATION ACT		CHANGE FROM AUTH ACT		REVISED AUTHORIZATION	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
REVOLVING AND MANAGEMENT FUNDS:												
ARMY STOCK FUND	442,000		393,000		0,000		393,000		0,000		393,000	
NAVY STOCK FUND	716,500		638,500		0,000		638,500		0,000		638,500	
MARINE CORPS STOCK FUND	42,700		37,700		0,000		37,700		0,000		37,700	
AIR FORCE STOCK FUND	464,900		415,900		0,000		415,900		0,000		415,900	
DEFENSE STOCK FUND	193,500		174,500		0,000		149,700		0,000		174,500	
MARINER FUND	0,000		0,000		(852,100)		(852,100)		0,000		0,000	
ADP MANAGEMENT FUND	0,000		0,000		100,000		100,000		0,000		0,000	
TOTAL STOCK FUNDS												
	1859,600		1659,600		100,000		1734,800		0,000		1659,600	
					(852,100)		(852,100)		(0,000)		(0,000)	
GRAND TOTAL - PROCUREMENT, ROT&E, OMA, AND REVOLVING FUNDS												
	230344,150		215587,440		5507,023		213138,931		-2991,914		212595,526	
					(992,100)		(992,100)		(140,000)		(140,000)	

*Authorization on Act funded in individual Service accounts; Appropriations Act transfers entire amount to a central fund.

**Deauthorization of appropriated program.

***Does not include Defense Production Act (\$31 million) which is not authorized by SASC.

AIRCRAFT PROCUREMENT, NAVY

P-3 MARITIME PATROL AIRCRAFT

The committee authorizes obligation of the funds appropriated for the P-3 aircraft procurement and modification programs, but insists on competition in the P-3 program consistent with the directions contained in the conference report accompanying the fiscal year 1986 Defense Authorization Act.

Section 102(a)(2)(A) would give the Secretary of the Navy authority to transfer up to \$120 million either for the procurement of new aircraft or for modification of existing P-3s. The committee supports the appropriation for additional Update III modification kits for the P-3 aircraft. This is consistent with the administration's planned program. Moreover, if this appropriation is not authorized, any reduction in fiscal year 1986 would necessitate an equivalent increase in fiscal year 1987 for this necessary modernization of fleet antisubmarine warfare capabilities.

Section 124(b) removes a congressional requirement for sole-source procurement of AQA-7 avionics equipment. Additionally, Section 124(a) of the bill returns to the Secretary authority to allocate aircraft between active and reserve squadrons. The committee believes detailed decisions such as which avionics to buy and where to assign aircraft are properly the responsibility of the service leadership.

LAND-BASED TANKERS FOR THE NAVY

The fiscal year 1986 Department of Defense Appropriations Act provided \$110 million to the Navy to buy and convert commercial jet aircraft to serve as land-based tankers to support Navy air operations. There was no budget request or authorization for tankers for the Navy, nor does the 5-year procurement plan indicate any such requirement. The Navy has relied on tanker support from the Air Force, which has a fleet of nearly 700 tanker aircraft. The \$110 million would have purchased and converted an estimated eight aircraft to be operated uniquely by the Navy for the Navy.

The committee opposes such a plan to procure a small dedicated tanker fleet only for the Navy and directs that none of the funds provided to the Navy may be used to procure and modify commercial aircraft to operate as land-based tankers. This is clearly an area where interservice cooperation is feasible and appropriate. The Navy and the Air Force currently have a memorandum of understanding on joint cooperation and have been negotiating a revised memorandum of agreement on tanker support over the past 6 months. The committee believes that interservice cooperation with the Air Force is the appropriate method for providing tanker support for the Navy.

The committee recognizes the Navy's peacetime and wartime requirement for land-based tanker support. The Navy also has a valid requirement for aerial refueling of JP-5 fuel, as opposed to JP-4 which is standard throughout the Air Force. JP-5 has a higher "flash point," making it safer for use for carrier operations where safety is a major consideration. The committee instructs the Navy and the Air Force to finalize forthwith a memorandum of

agreement that retains the current Air Force management and fleet, but which provides for the important operational considerations of the Navy.

SHIPBUILDING AND CONVERSION, NAVY

BATTLESHIP REACTIVATION

The fiscal year 1986 Defense Authorization Act authorized reactivation of the fourth battleship, U.S.S. *Wisconsin*, using funds appropriated in prior years which are no longer required for their original purpose and remain available for obligation. The fiscal year 1986 DOD Appropriations Act however appropriated new budget authority for battleship reactivation, having allocated prior year SCN savings for another purpose.

Section 102(c)(2)(A) provides obligational authority for reactivation of this battleship as appropriated.

MCM MINE COUNTERMEASURES SHIP

The fiscal year 1986 Defense Authorization Act authorized \$167.1 million for two MCM-1 class mine countermeasures ships, which was half of the administration's requested amount. The fiscal year 1986 DOD Appropriations Act appropriated \$197.1 million for these two ships and provided \$97 million in cost growth for the MCM program.

The government has a considerable investment in these partially built ships. The \$97 million in cost growth is necessary to execute existing contracts and deliver these urgently needed ships to the fleet.

The committee recommends an authorization equal to the amount appropriated.

ARTB NUCLEAR REACTOR TRAINING SHIP CONVERSION

The fiscal year 1986 Department of Defense Appropriations Act appropriated \$190 million for the conversion of a deactivated SSBN submarine for training crews to operate nuclear reactors. This was \$163,500,000 above the request and authorization.

Conversion of a retired SSBN will be less costly than building a new training facility. Authorization of the appropriated amount is necessary at this time to match the deactivation schedule of SSBN submarines consistent with the SALT agreement.

The committee recommends an authorization equal to the amount appropriated.

OTHER PROCUREMENT, NAVY

MEDICAL READINESS

The fiscal year 1986 Department of Defense Appropriations Act provided an additional \$44.2 million to procure two mobile fleet hospitals. This funding was contained in the medical support equipment budget line.

These modular, portable hospitals are part of a high priority DOD program to upgrade medical readiness to meet potential

combat needs. This authorization will accelerate procurement of hospitals already programmed for the future.

The committee recommends full authorization of the additional \$44.2 million for two mobile fleet hospitals.

SQR-17 SHIPBOARD TRAINER

The fiscal year 1986 Defense Appropriations Act provided \$6.8 million for procurement of a Navy shipboard training device for anti-submarine warfare. These funds were previously authorized in the Navy RDT&E account.

The committee stands by the authorization conference position, which states that these training devices (which are also referred to as LAMPS MK-I shipboard ASW trainers) may not be procured on a sole-source basis. The Appropriations Act reverses the position established in the Authorization Act and reduces competition by restricting it to later purchases of the sole-source design.

The committee has recommended bill language which rescinds the requirement for the Navy to purchase SQR-17 shipboard trainers. The committee would consider a reprogramming request to purchase these trainers using Other Procurement, Navy funds, but only if the competition requirement in the authorization act is fulfilled.

GENERAL INCREASE

The fiscal year 1986 Defense Authorization Act included an undistributed reduction of \$495 million in the other procurement, Navy account. The fiscal year 1986 continuing resolution for appropriations applied a smaller undistributed reduction. The difference between these amounts is \$215.83 million.

The committee recommends authorization of an undistributed reduction of \$289.17 million, which is consistent with the general reduction contained in the 1986 Defense Appropriations Act.

COASTAL DEFENSE AUGMENTATION, NAVY

The fiscal year 1986 Department of Defense Appropriations Act appropriated \$375 million for coastal defense augmentation, consisting of \$235 million in new budget authority and \$140 million in prior year Navy shipbuilding savings. The Coastal Defense Augmentation Program would acquire vessels, aircraft, and equipment for the Coast Guard, which has a wartime mission in the Defense Department.

The committee recommends authorization of the amount appropriated for procurement of coastal defense augmentation equipment.

AIRCRAFT PROCUREMENT, AIR FORCE

AIR DEFENSE AIRCRAFT

In the fiscal year 1986 Defense Authorization Act the Congress directed the Secretary of the Air Force to "establish during fiscal year 1986 a competition for the procurement of fighter aircraft to meet the requirements of the Active and Reserve Forces of the Air

Force." The procurement of tactical aircraft was required to be conducted "in accordance with all applicable provisions of law." The latter provision was included to ensure that any competition would be full and open, and would comply with all statutory and legislative safeguards.

The fiscal year 1986 Department of Defense Appropriations Act provided \$200 million for advance procurement of an air defense aircraft to be selected competitively in fiscal year 1986. The appropriations act also mandated the completion of the air defense aircraft competition by July 1, 1986. No funds were requested by the administration for this purpose and none were authorized.

The administration has advised that it will not be possible to complete the air defense competition by July 1, 1986 if all statutory and regulatory safeguards dealing with competition are to be observed. Therefore, the committee believes the completion date should be revised to November 1, 1986, a date the administration considers achievable. Section 402 changes the current statutory date.

Furthermore, since this competition will not be completed until the beginning of fiscal year 1987, it is unnecessary to provide procurement funds in fiscal year 1986. Therefore, the committee recommends no authorization for the \$200 million appropriated for the procurement of air defense aircraft in fiscal year 1986.

KC-10 AIRCRAFT ADVANCE PROCUREMENT

The fiscal year 1986 Defense Appropriations Act added \$18.6 million for advance procurement of KC-10A advanced tanker/cargo aircraft in addition to the amount requested and authorized. The additional funds were provided to extend procurement of KC-10A tankers beyond the current administration program of 60 aircraft.

Multiyear procurement of the KC-10 aircraft will be completed with funds requested in the fiscal year 1987 budget. There is no requirement to extend the production line.

The committee recommends no funds be authorized for advance procurement beyond the current program of 60 aircraft.

T-46

The administration requested \$142.8 million for the procurement of 33 T-46 Air Force jet trainer aircraft and \$63.3 million for advance procurement. The authorizing committees approved the administration's request. The appropriations conferees agreed on funding levels of \$130.6 million in procurement and \$63.3 million for advance procurement.

Subsequent to the passage of the fiscal year 1986 Defense Authorization Act, the Air Force decided not to proceed with the T-46 program. This decision was based primarily on producibility and budgetary concerns. The Air Force plans instead to evaluate modifications to the current trainer (T-37) along with various "off the shelf" trainers to meet future training requirements.

The committee endorses this decision and recommends that no funds be authorized for the T-46 program.

AIR FORCE 1

The committee supports in principle the requirement for two replacement aircraft for the Presidential fleet given the age of the existing aircraft. The committee also concurs in the competitive acquisition approach proposed by the Air Force, and in the actions of the Appropriations Committees to establish a cost cap of \$280 million on procurement.

The committee notes that this program cannot and should not be immune from the serious budgetary constraints facing the defense program. In this regard, the committee serves notice that it expects all procurement requirements associated with this program to be accommodated within the cost cap established by the Appropriations Committees and will not act favorably on the fiscal year 1987 request for additional procurement funds. Moreover, the committee intends to scrutinize carefully all requests for research and development and military construction funding associated with the replacement of the Presidential aircraft.

Accordingly, the Air Force is authorized to continue the ongoing competition for two replacement aircraft. Not less than 30 calendar days prior to the obligation of procurement funds, the Air Force is directed to submit to the Committees on Armed Services and Appropriations of the House and Senate a procurement plan for a program structured to stay within the \$280 million ceiling, together with a justification for all RDT&E and military construction requirements associated with the program.

AC-130 GUNSHIP FOR DRUG INTERDICTION

The fiscal year 1986 Defense Appropriations Act provided \$35 million to the Air Force to purchase one AC-130 gunship for drug interdiction surveillance. The AC-130 would be operated by special operations forces, but used primarily in the drug interdiction role and secondarily in special operations training.

The committee strongly endorses efforts to assist the national program to interdict drug trafficking with military assets used in a surveillance role. However, the committee believes the AC-130 gunship is the wrong aircraft for such purposes. To be trained for their primary special operations mission, AC-130 crews undergo extensive training in low-level, pinpoint navigation, firing on point targets over land under hostile conditions. By contrast, the drug interdiction surveillance mission requires broad area search over open ocean areas, with long times on station at cruising altitudes. There is virtually no commonality in training between these two missions. For this reason, the committee believes the AC-130 gunship is incompatible with the drug traffic surveillance mission, and denies obligation authority for this program.

Congress directed in the fiscal year 1986 Defense Authorization Act that the Secretary of Defense report on plans for Department of Defense to cooperate with civilian drug enforcement agencies. The committee understands that the Department of Defense is reviewing alternatives that would satisfy the drug interdiction surveillance support mission, but which would be more compatible with Air Force force structure, wartime missions and training requirements.

The committee strongly supports Defense Department participation in the drug interdiction effort, and urges the DOD to pursue aggressively alternative options that would meet the pressing need for support of the national commitment to stop the flow of illegal drugs.

COMMAND POST AIRCRAFT

The committee has consistently supported improvements in the command, control and communications portion of the strategic modernization program. While the committee remains committed to modifications to existing airborne communications relay aircraft to extend the range of their connectivity, the committee was not convinced that \$50 million in additional procurement funds appropriated for this purpose could be used effectively. The committee therefore recommends these funds not be authorized.

MISSILE PROCUREMENT, AIR FORCE

MINUTEMAN EMERGENCY SURVIVABLE POWER

The Air Force requested missile procurement funds in fiscal year 1986 to continue modification of 200 Minuteman silos with lead acid batteries. These lead acid batteries provide an extended peacetime emergency power capability to complement the wartime emergency power endurance of recently installed lithium batteries. The conferees for the fiscal year 1986 Defense Appropriations Act approved \$29.9 million more than requested to expand the lithium battery upgrade and stipulated that no funds be used for lead acid batteries.

In view of budgetary constraints, the committee did not deem that this otherwise worthy program enjoyed sufficient priority to warrant authorization above the requested levels. In addition, the committee believes that the Air Force should have the flexibility to execute this program in a manner that provides continuity of emergency power in both peacetime and wartime. Therefore, the committee recommends that no funds beyond the authorized level be obligated under the MESP program in fiscal year 1986.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

ROLLING AIRFRAME MISSILE (RAM)

The fiscal year 1986 Defense Appropriations Act provided \$10.948 million for development of the Navy's rolling airframe missile, as requested. This is \$7 million above the level provided in the fiscal year 1986 Defense Authorization Act.

These funds are needed in fiscal year 1986 to conduct the test program after the Navy complies with the provisions of the authorization act.

The committee recommends authorization of the appropriated amount.

SHIP SUBSYSTEMS DEVELOPMENT/LBTS

The fiscal year 1986 Defense Appropriations Act provided an additional \$29 million for the Navy's ship subsystems development/land-based test site program. This funding would continue competitive design of the new SSN-21 class attack submarine.

This additional funding is required because after the budget was submitted, the Navy decided to extend competition in design of the SSN-21 submarine beyond contract design and into detailed design. The Navy expects that extending the design competition will result in a submarine which is easier to construct, less costly, and technically superior.

The committee recommends authorization of the amount appropriated.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

ICBM MODERNIZATION

The committee continues to support follow-on basing research within the ICBM modernization program. The committee, however, has received no testimony that would support the provision in the conference report for fiscal year 1986 Defense Appropriations Act requiring that \$15 million be used solely to construct, test and evaluate a double-walled cofferdam approach to silo survivability.

In the current budget environment, the committee questions the value of this specified allocation, and directs the Air Force to execute the follow-on basing research program in a manner consistent with narrowing the number of promising options for survivable ICBM basing as soon as feasible.

OPERATION AND MAINTENANCE FUNDING

The fiscal year 1986 Defense Appropriations Act provided for a reduced level of funding for Department of Defense operation and maintenance [O&M], below the level previously authorized for fiscal year 1986. All O&M accounts were appropriated below the authorized levels (except for those shown in the bill portion). The authorized levels are not changed by this bill, except for those shown in the bill portion.

The fiscal year 1986 Defense Appropriations Act provided approximately \$792 million of excess appropriations including an excess of \$50 million for the Environmental Restoration Fund, Defense. This bill denies obligational authority for any of these excess appropriations. Except for denial of the additional \$50 million for environmental restoration, this action is taken without prejudice, and the committee strongly encourages expeditious reprogramming actions by the Department of Defense, especially in those areas of highest priority.

ENVIRONMENTAL RESTORATION FUND, DEFENSE

The fiscal year 1986 Defense Appropriations Act provided establishment of a new account, defense environmental restoration fund, and appropriated \$379.1 million, \$50 million above the authorized level. The new account incorporates agreements reached between

the Congress and the Department of Defense after the fiscal year 1986 authorization cycle.

The committee approves the establishment of the new account and the distribution procedures recommended in the Appropriations Act. As to the additional \$50 million appropriated for the fund, the committee believes the additional funds are not required in fiscal year 1986. The history of obligation and expenditure rates of the various service and Department of Defense environmental restoration funds, the lack of identified projects for the additional funds, and the fact that these funds were not requested led the committee to conclude that the additional funds cannot be effectively used during fiscal year 1986.

The committee recommends the establishment of the new funding account and associated provisions entitled Environmental Restoration Fund, Defense contained in the fiscal year 1986 continuing resolution. The committee does not recommend authorization of the additional \$50 million for this fund, but recommends the authorized level of \$329.1 million.

REVOLVING AND MANAGEMENT FUNDS

ADP EQUIPMENT MANAGEMENT FUND

The fiscal year 1986 Department of Defense Appropriations Act provided for the establishment of the ADP [automatic data processing] equipment management fund and for the funding of \$100 million to establish the fund. This fund was to be a permanent revolving and management fund. The purpose of the fund was to buy out existing ADP leases and to purchase new ADP contracts. In both cases, the appropriating committees predicted that savings could be realized from the establishment of a permanent revolving fund and the availability of additional funds to enter into new ADP contracts without the delays associated with the normal budget cycle.

The committee opposes the establishment of this fund and the authorization of \$100 million for this purpose. The costs of ADP within the Department of Defense, for a wide variety of weapon and support systems, are increasing and represent a potential major problem area. The main reason for the increasing costs and problem areas appears to be poorly negotiated contracts which work to the Government's disadvantage. The establishment of a new revolving fund and appropriation of \$100 million without guidelines may lead to further increases in ADP costs and even more unfavorable contracts. Additionally, no provisions were established to replenish the fund, a necessary characteristic of a true revolving fund. Lack of such a provision would require annual authorizations and appropriations of additional funding. Therefore, the fund would become an additional annual ADP program over and above the numerous existing ADP programs. The committee believes that emphasis should be placed on better ADP contract negotiations and management practices, rather than establishing new revolving funds requiring additional annual appropriations.

The committee recommends that none of the funds appropriated to the Department of Defense for fiscal year 1986 be used for the

purpose of establishing or funding an ADP [automatic data processing] equipment management fund.

MARINER FUND

The fiscal year 1986 Defense Appropriations Act provided \$852,100,000 for establishment of a Mariner Fund to construct and lease merchant ships. This new fund was not requested by the administration.

The committee recommends no authorization for the Mariner Fund in this supplemental authorization bill.

The funds which were designated for the Mariner Fund in Section 8103 of the Appropriations Act remain available to fund readiness programs in the Operations and Maintenance accounts.

GENERAL PROVISIONS

SALE OF ALCOHOLIC BEVERAGES

The fiscal year 1986 Department of Defense Appropriations Act placed restrictions on the ability of the Department of Defense to procure alcoholic beverages. The resolution directed that none of the funds appropriated could be used to procure alcoholic beverages except within the State where the military installation is located. This action reverses the position established by the authorizing committees for fiscal year 1986.

The committee believes the restrictions violate existing case law and long standing legal rulings in the area of the Federal Government's sovereign immunity to State and local taxes. These provisions also limit the ability of the department to procure alcoholic beverages in a competitive manner. In most cases, the restrictions force the department to procure alcoholic beverages at higher costs, which will reduce installation profits and thereby reduce the funds available for morale, welfare, and recreation (MWR) activities. The increased cost is estimated at approximately \$40 million annually. No additional funds were appropriated to offset the additional cost. The result will be a \$40 million reduction in funding to support military MWR activities for service personnel and their dependents.

The committee recommends the repeal of the provision relating to the sale of alcoholic beverages, Section 8099 of the 1986 Department of Defense Appropriations Act (Public Law 99-190).

TEMPORARY WAIVER ON POLYGRAPH EXAMINATION LIMITATIONS

Section 1221 of the Department of Defense Authorization Act, 1986 (Public Law 99-145) directs the implementation during fiscal years 1986 and 1987 of a program of counterintelligence polygraph examinations for military and civilian personnel of the Department of Defense and personnel of contractors of the Department whose duties involve access to classified information at the level of top secret or classified information within special access programs. The total number of polygraph examinations to be conducted under the program was limited to 3,500 during fiscal year 1986 and 7,000 during fiscal year 1987.

Subsection (e) of section 1221 provides, generally, that the section does not apply to persons assigned or detailed to or under contract with the Central Intelligence Agency, to persons employed by, assigned or detailed to or under contract with the National Security Agency, to persons employed by a contractor of the National Security Agency, to persons applying for a position with the National Security Agency, or to persons assigned to a space where sensitive cryptologic information is handled.

The committee has learned that one counterintelligence polygraph examination program involving classified information within a special access program, of which the committee was aware when it agreed to the limitations contained in section 1221 of the 1986 Authorization Act, involves more examinations than was previously understood. Additionally, the committee has learned that some doubt exists whether another program utilizing counterintelligence polygraphs, which is under the purview of the Director of Central Intelligence but under which the Department conducts the examinations, is covered by section 1221 or by the exclusions in subsection (e) of that section.

The committee does not believe that either of these programs, both of which were in existence before the inception of the program directed by section 1221, should be halted in mid-year. Both involve access to some of the most sensitive information in the Department of Defense. If the polygraph examinations under these programs are not excluded for the remainder of this fiscal year, the examinations would have to be terminated. Therefore, the committee has included a provision, section 403, which will exclude from the computation of the total polygraphs conducted under the program authorized by section 1221 of the 1986 Authorization Act, polygraph examinations conducted from the date of enactment of this bill through the remainder of fiscal year 1986 under either of these two previously established programs.

COST STUDIES AND CONTRACTING OUT

The Senate version of the Department of Defense Authorization Act, 1986, contained a provision that would have removed all statutory restrictions on the Secretary of Defense to contract out functions performed by non-military personnel in accordance with Office of Management and Budget (OMB) Circular A-76 when the Secretary determined it was cost-effective and in the interest of national security to do so. One of these statutory restrictions was that a full-cost study had to be performed with respect to any function performed by more than 10 civilian employees. In conference with the House, it was agreed to change this particular restriction to require such a full-cost study only if the function were performed by more than 40 civilian employees. That conference agreement was enacted as part of Section 1234 of the Department of Defense Authorization Act, 1986 (Public Law 99-145) on November 8, 1986.

Section 8089 of the Department of Defense Appropriations Act, through a limitation on expenditure on appropriations, reversed this legislative policy decision made less than two months earlier as part of the authorization process.

The committee continues to believe that this policy, established in the defense authorization process involving a matter wholly within the jurisdiction of the House and Senate Committees on Armed Services, is a proper one and that full-cost studies should not be required before contracting out of functions performed by 40 or fewer civilian employees. The appropriations limitation results in unnecessary expenditure of funds and time in deciding whether a particular function should be contracted out.

For those reasons, the committee has included a provision repealing Section 8089 of the Department of Defense Appropriations Act, 1986, thereby retaining the legislative policy decision made as part of the defense authorization process.

